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## Critical Raw Materials Act's blowing wind of protectionism over free trade

Brussels, 16 March 2023 - As part of Europe's renewed trade strategy, the proposed Critical Raw Materials Act presented today by the European Commission promises to advance open strategic autonomy but it does not specify where "open" ends and where "autonomy" begins. In a borderless global economy with seamlessly interdependent supply chains, bolstering international cooperation and engagement remains of vital importance.

**The Act should strengthen cooperation with like-minded partners and define project pipelines across the raw materials value chain that reflect and respect European values.** From basic to more elaborate components, final products today rely on a number of different and essential parts. Which states a clear need to guarantee the supply of critical raw materials within the EU and with strategic partnerships, incorporating both a domestic and international dimension. The home appliance industry in Europe is long committed to the responsible sourcing and recycling of raw materials, as well as the promotion of supply chain transparency and due diligence. Efforts to increase access to raw materials for EU manufacturers should leverage Europe's responsible cooperation model by investing in sustainable projects exporting this mindset *within* and *across* borders. Aspiring for autonomy in a highly globalised economy is neither viable nor desirable, for an export-driven economy such as the EU. "Europe needs reliable partners more than ever to push for a cost-effective and competitive economy," said Paolo Falcioni, APPLiA Director General.

**Recycled raw materials offer a great potential to tackle increasing demand but there are still substantial gaps to be closed.** The draft legislation wants to promote the recycling and recovery of critical raw materials from mining, processing and commercial waste streams to ensure reliable, secure and sustainable access to them, by setting dedicated recycling targets. Today, 90% of the materials coming from the officially collected appliances, when they have reached their end of life, are recovered, recycled and ready to enter again into manufacturing loops. However, two-thirds of precious resources remain undocumented and are not coming back into material loops as secondary raw material, making it unclear how this waste is collected and thereafter treated. The waste market should set the right requirements ensuring that all waste is correctly collected, reported and treated, providing a sufficient competitive economic environment for all involved actors. Equally important is the development of recycling initiatives and innovative end-of-life sorting technologies to properly, and safely, extract materials from products. "The development of machinery is still at an early stage, for a number of products where extraction results need to be technically more complex," said Falcioni. There, innovation plays a critical role in substantiating the industry efforts and ramp up competitiveness.

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The Critical Raw Materials Act is meant to diversify the bloc's supply of raw materials needed for green transition technologies, by setting a number of targets for domestic extraction, processing and recycling of so-called strategic raw materials, including a goal for the bloc to extract at least 10% of its annual consumption of these materials, by 2030. The proposal was presented on the same day as the Net Zero Industry Act, the EU's response to the U.S.'s major green subsidies package.

APPLiA - Home Appliance Europe represents home appliance manufacturers from across Europe. By promoting innovative, sustainable policies and solutions for EU homes, APPLiA has helped build the sector into an economic powerhouse, with an annual turnover of EUR 53 billion, investing over EUR 1.6 billion in R&D activities and creating nearly 1 million jobs.

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